

**ASSEMBLY BILL**

**No. 1007**

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**Introduced by Assembly Member Cook**

February 18, 2011

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An act to add Section 6397 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1007, as introduced, Cook. Sales and use tax: exemption: back-to-school products.

The Sales and Use Tax Law imposes a tax on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state, or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state.

This bill would provide an exemption from the sales tax for the gross receipts from the retail sale of qualified back-to-school products, as defined, sold to a qualified purchaser, as defined, during a specified period in August of each year, commencing in 2012.

The Bradley-Burns Uniform Local Sales and Use Tax Law authorizes counties and cities to impose local sales and use taxes in conformity with the Sales and Use Tax Law, and existing law authorizes districts, as specified, to impose transactions and use taxes in accordance with the Transactions and Use Tax Law, which conforms to the Sales and Use Tax Law. Exemptions from state sales and use taxes are incorporated into these laws. Section 2230 of the Revenue and Taxation Code provides that the state will reimburse counties and cities for revenue losses caused by the enactment of sales and use tax exemptions.

This bill would provide that, notwithstanding Section 2230 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for sales and use tax revenues lost by them pursuant to this bill.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 6397 is added to the Revenue and  
2 Taxation Code, to read:

3 6397. (a) In 2012 and each calendar year thereafter, for the  
4 three-day period beginning at 12:01 a.m. on the first Friday of  
5 August and ending at 12:00 midnight on the first Monday of  
6 August, there are exempted from the computation of the amount  
7 of the sales tax the gross receipts from the sale of qualified  
8 back-to-school products to a qualified purchaser.

9 (b) For purposes of this section, the following definitions shall  
10 apply:

11 (1) “Qualified back-to-school products” include:

12 (A) Individual articles of clothing with a retail price that is not  
13 more than one hundred dollars (\$100).

14 (B) Footwear with a retail price that is not more than one  
15 hundred dollars (\$100).

16 (C) School supplies, including, but not limited to, pens, paper,  
17 pencils, binders, notebooks, school textbooks, book bags,  
18 backpacks, lunchboxes, and calculators with a retail price that is  
19 not more than one hundred dollars (\$100).

20 (D) Sports equipment with a retail price that is not more than  
21 one hundred dollars (\$100).

22 (2) “Qualified purchaser” means an individual who, during the  
23 period described in subdivision (a), purchases the qualified  
24 back-to-school products at the retailer’s physical place of business.

25 SEC. 2. Notwithstanding Section 2230 of the Revenue and  
26 Taxation Code, no appropriation is made by this act and the state  
27 shall not reimburse any local agency for any sales and use tax  
28 revenues lost by it under this act.

1       SEC. 3. This act provides for a tax levy within the meaning of  
2       Article IV of the Constitution and shall go into immediate effect.

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